

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 255 – SB 1149

March 20, 2019

SUMMARY OF BILL: Beginning in FY19-20, requires the number of instructional positions funded under the Basic Education Program (BEP) to reflect the number of teachers a district is required to employ to meet the maximum class size requirements specified in Tenn. Code Ann. § 49-1-104. Requires implementation in accordance with funding made available through the general appropriations act.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$309,444,400

Increase Local Expenditures – Exceeds \$1,000,000*

Assumptions:

- Instructional positions are generated through the BEP on a district-level basis.
- The proposed legislation changes the methodology for calculating regular education classroom positions for grades K-12 by using school level data for each of the 1,822 schools.
- In FY17-18, LEAs reported 7,183 classroom positions employed beyond the number generated through the BEP formula (52,855 actual positions versus 45,672 generated by the formula).
- At an average cost of \$61,543 (\$47,150 salary + \$14,393 benefits) per position and an average state share of 70 percent of the instructional costs, the estimated increase in state expenditures is \$309,444,358 [(7,183 x \$61,543) x 70%].
- The increase in state expenditures will vary from year to year depending on LEA enrollment numbers.
- The increased share of state BEP funding will increase the required local match for each LEA; the majority of LEAs contribute more than the required amount; for those that do not, they would be required to increase their local contribution to education.
- In FY18-19, approximately five LEAs were required to increase their local contribution. It is estimated that at least 10 LEAs would be required to do so with the passage of this legislation. The total mandatory increase to meet the minimum required local match is reasonably estimated to exceed \$1,000,000 statewide.

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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